(India) Limited (GAIL), Indian Oil Corporation (IOC) and Bharat Petroleum Corporation Limited (BPCL). The contract period is for 25 years, beginning from the last quarter of 2009. Simultaneously, the parties have also signed a side letter to the LNG SPA on 13th June, 2005, as per which NIGEC desired to obtain the approval of their parent company, National Iranian Oil Company (NIOC), for the SPA to become effective. NIGEC has not conveyed NIOC's Board approval till now.

Auditing of share contracts

3065. SHRI GIREESH KUMAR SANGHI:
SHRIMATI SUPRIYA SULE:

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether almost 20 oil and gas production sharing contracts signed under the New Exploration Licensing Policy I-V and the Pre-NELP regime are being audited by the Comptroller and Auditor General of India;

(b) if so, whether this move gathers significance on the back drop of the alleged inflated figures in budgets of some exploration companies before start of commercial production from the fields;

(c) if so, by what time the CAG is likely to give its report; and

(d) whether the Cabinet Secretary in his report on gas pricing, had suggested better monitoring of capital expenditure plans of exploration companies?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DINSHA J. PATEL): (a) to (d) The office of Principal Director of Audit, Economic and Service Ministries, has taken up performance audit of 22 blocks fields including Pre-NELP and NELP blocks/producing fields. No time frame for completion of the performance audit and submission of report has been given by Audit.

The Cabinet Secretary, in his report, had recommended strengthening of the Management Committees and the Audit Mechanism under the Production Sharing Contracts (PSCs). In view of this and in view of the concerns expressed in various quarters about capital expenditure by operators, Ministry of Petroleum & Natural Gas had requested Comptroller & Auditor General of India to carry out special audit of eight blocks/fields.

Extra expenditure by ONGC

3066. SHRI VIJAY J. DARDA: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether ONGC actually incurred an expenditure of Rs. 3286 crores against the estimated amount of Rs. 2482 crores as revealed through an analysis of 35 wells;

(b) if so, whether scrutiny of seismic surveys contracts showed ONGC's lack of foresight in chartering and mobilizing specialized vessels; and

(c) the sum-total of losses suffered in the shape of extra expenditure having been incurred over the estimated expenditure of drilling and exploration during the Tenth Plan?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DINSHA J. PATEL): (a) to (c) Under the deep water drilling programme during the period 2002—2007, the stated expenditures were incurred. However, an analysis of these wells indicates two primary causes for the perceived cost overruns. The first relates to unforeseen well complications in case of 19 wells. The varied nature of these complications cover a vast range including casing parting, fishing due to string stuck ups, loss and gain situations which required deft measures to combat, waiting on weather besides complications during testing programmes. The second factor which contributed to the cost overruns was the extension of the target depths of 5 wells as well as drilling of explorer wells to prognose the shallower horizons. Both these factors clearly indicate that the enhanced costs were related to operational issues and can not be construed as arising out of deficiencies in ONGC's work efficiency.

Pipeline from Oman

3067. SHRI MAHENDRA MOHAN: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether the proposal of laying a pipeline under the sea between Oman's Rasal-Jifan and Coastal Gujarat's Rapar-Gadhwali to ferry about TCF (Trillion Cubic Feet) of gas has been revived;

(b) if so, the details thereof;

(c) how many projects of bringing gas from different countries have been pending; sanctioned alongwith the capacity and since when such projects are pending;

(d) what hurdles had come on the way of Oman gas pipeline project; and

(e) how long it will take to complete the project?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DINSHA J. PATEL): (a) and (d) No, Sir. The project could not move due to non-establishment of the Technical Feasibility of the project and inadequate gas reserves etc.

(b) and (e) In view of (a) above, question does not arise.

(c) Petronet LNG Limited (PLL) signed a contract with RasGas, Qatar in July 1999 for import of 7.5 million metric tonnes per annum (MMTPA) Liquefied Natural Gas (LNG). Out of this, supply of 5 MMTPA LNG commenced from 2004 and supply of balance 2.5 MMTPA LNG would commence in 2009. Further, Petronet LNG Ltd. (PLL) has also signed a contract with RasGas, Qatar in July 2007 for supply of 1.25 MMT LNG for a period of one year.

A Sale-Purchase Agreement (SPA) was signed on 13th June, 2005 in Tehran for 5 MMTPA of LNG between the National Iranan Gas Export Company (NIGEC) and the Indian Consortium of GAIL (India) Limited (GAIL), Indian Oil Corporation (IOC) & Bharat Petroleum Corporation Limited (BPCL). NIGEC has not conveyed NIOC's Board approval till now.

Government is pursuing the import of natural as from Iran through Iran-Pakistan-India (IPI) Gas Pipeline Project and also, from Turkmenistan through Turkmenistan-Afghanistan-Pakistan-(India) (TAPI) gas pipeline project after obtaining the approval of the Competent